CHARGE SHOCKS MCC PRESIDENT

1-P 10/3/70

Unaware of Concrete Sale to Marcello—Schwartz

Metropolitan Crime Commission president James Schwartz late Friday said he was "flabbergasted and shocked" when he found out that his ready-mix concrete firm had done business with a Carlos Marcello-owned enterprise in October, 1969.

Marcello's partner in a number of business deals, J. Folse Roy, revealed that Jimco, Inc., had sold concrete to the Town and Country Motel, which Roy described as a "Marcello-owned enterprise," and that he (Schwartz) should resign as MCC president because of this. Later, during a press conference, Roy admitted he wasn't really asking for the resignation of Schwartz.

This was one of a whirlwind of developments that swirled around the alleged rackets figure, Marcello, and his dealings with the New Orleans community.

Refuting a statement by former Regional Planning Commission chairman Thomas J. Lupo that he had seen Roy only about four times in his lifetime, Roy said Marcello had voluntarily given him a letter attesting "to the relationship between himself and the holier-than-thou Tommy Lupo."

Roy continued, "In fact, Mr. Marcello stated that he was always reluctant to do business with Lupo because of Lupo's

Cont. in Sec. 1, Page 17, Col. 2

Continued from Page 1

reputation. I will release the letter at the proper time."

The simmering controversy popped up when Lupo attacked publicly Regional Planning Commission chairman Joe D. Lindsay for Lindsay's writing a letter of business reference for Marcello. Lindsay said in the letter, later used in a federal court in Houston, Tex., that he (Lindsay) had business relations with Marcello.

ASKED TO RESIGN

Jefferson Parish Council chairman Charles J. Eagan Jr. said Friday he had personally asked Lindsay to resign several weeks ago.

Eagan commented in a personal statement Friday afternoon, outside a Parish Council meeting in Gretna at which it was anticipated the council might act on demands that Lindsay be removed from the commission.

The council took no action on the Lindsay matter at the meeting, however, though Councilman Jacob H. Sciambra indicated the matter was discussed in executive session. He made no other comment.

In his statement, Eagan said that the law under which the RPC was created in 1956, Act 239 of that year, provides that the governing bodies of Jefferson and St. Bernard parishes may remove their respective appointive members of the RPC after public hearing for neglect of duty, malfeasance in office or for inefficiency.

"Mr. Lindsay has not been accused in any way of malfeasance, neglect of duty or inefficiency," Eagan said Friday.

"In my opinion Mr. Lindsay's accusors, the news media and the Regional Planning Commission, have allowed this incident to go so far in the minds or eyes of the public, that Mr. Lindsay's effectiveness on the RPC is no longer the type of representation this parish needs," he said.

"It has reached such proportions that I personally have asked Mr. Lindsay to resign. The council has not.

CHANGED MIND

"Mr. Lindsay replied at that time that he would resign, but he later changed his mind for his own reasons," Eagan said.

The council chairman said the protection given RPC members by the 1956 law is the same type of protection given Civil Service employes, so that they cannot be removed from their posts through political harassment. "I would like the people to understand that we cannot recall Mr. Lindsay because of these protective screenes—which I feel are good protective screens.

"He has not been accused of malfeasance, neglect of duty or inefficiency," he continued. "This is a matter of implied guilt by association. The council has no knowledge of close association of Lindsay with Carlos Marcello, other than letters from Thomas J. Lupo and Denis A. Barry II (of the (RPC) and the Metropolitan Crime Commission.

"I feel the news media has mishandled the facts in this case. They have not examined the act and learned the legal basis for recall of a RPC member.

"This has become a personal issue for Mr. Lindsay. If he should resign it could be interpreted by the public as an admission of guilt.

"In my view, there is no alternative but to leave the final decision up to Mr. Lindsay," he said.

During the press conference at his N. Causeway Blvd. offices, Roy said he saw nothing wrong with doing business with Marcello. "If it is legitimate business," he added.

Roy contended that Lindsay had never represented the Marcello interest.

"He has done nothing but know the man," said Roy, "and in the course of his real estate business, he contacted Mr. Marcello in an effort to make a commission on the sale of some of Mr. Marcello's property. He is only one of 100 firms which have contacted Mr. Marcello."

REAFFIRMS CLAIM

Roy reaffirmed his earlier statement that he personally saw Lupo in Marcello's office at least 15 times. He added, "I have knowledge that Mr. Mar-

cello has been in Mr. Lupo's office on many occasions."

He continued, "What I am trying to say is that if what Mr. Lindsay did is wrong in any manner, then what Mr. Lupo did is much worse; he should not be allowed to show his face."

Roy said Lupo "actually did attempt to be a partner of Mr. Marcello. He had far greater contact with Mr. Marcello over a greater length of time, whereas Mr. Lindsay merely tried to make a commission as any normal real estate broker would."

Asked if there would be a "minor economic depression" if everyone was forced to quit doing business with Marcello, Roy replied, "I didn't say that. What I said is if you followed the logic of Mr. Schwartz and the crime commission, then you would have to close most of the banks, stores and business houses for doing business with Mr. Marcello."

Roy said he feels that attempts are being made to discredit Lindsay because of his determination to build a bridge in the uptown area.

STATEMENT EXERPT

Following is a portion of the Roy statement:

"Mr. Lupo portrays himself as a saint, and Mr. Lindsay as a sinner. Now the truth is out that Mr. Lupo is the sinner who has so many skeletons in is closet that he cannot stand any scrutiny, so he is asking Mayor (Moon) Landrieu to accept his resignation (for the RPC) because he does not want any more truthful publicity concerning him.

"Mr. Lupo called me a 'blatant liar,' and he is so hypocritical that it has prompted the usually-quiet Carlos Marcello to voluntarily provide me with a letter attesting to the relationship between himself and the holier-than-thou Tommy Lupo. In fact, Mr. Marcello stated that he was always reluctant to do business with Lupo because of Lupo's reputation. I will release the letter at the proper time.

"Mr. Lupo will not tell you that he was a guest at Churchill Farms and warmly greeted and entertained by Mr. Marcello and was actually the guest of Mr. Marcello. He says that I flatter myself because I was in the great saint's presence, but you will note that Mr. Lupo never denies his connections with Mr. Marcello, his meetings with him or his telephone calls to him.

"In addition to Lupo's relationship with Marcello, someone should ask Lupo if he has ever sold parking meters to the City of New Orleans and if he has, was he on the Regional Planning Commission at that time, and does he consider this a conflict of interest?"

Roy continued, "Let everyone face up to the facts that Carlos Marcello has many interests and it is very few people who don't do business with him directly or indirectly.

"While there is riot, rape and mayhem in the streets of New Orleans, the Metropolitan Crime Commission, Inc., finds only criticism of a man that has served his community well for eight years. Everyone knows that Joseph D. Lindsay has done nothing wrong.

"There were 3,000 other people who have passes to Churchill Farms and all of them used these passes many, many more times than Mr. Lindsay. Among them are very prominent attorneys, doctors, businessmen and officials in every walk of life.

"These people certainly have not forfeited their right to serve the community because they enjoyed some hunting and fishing on Churchill Farms, a corporation of which Mr. Marcello and-or his family are part owners along with myself.

"No one serving on any public body can serve effectively as long as great pressure is being brought to bear by the news media, or such organizations as the MCC, when they state you cannot objectively plan a road, or an improvement, because if you do, you are going to benefit Mr. Marcello and-or his family and-or his associates. The fact that you are also helping the whole population is beside the point."

Lupo could not be reached for comment on the latest Roy charges.

Schwartz said he was unaware that his firm had done business with the Town and Country Motel until the end of October, 1969, when the accounts receivable came across his desk.

DEAL UNSOLICITED

"Our firm didn't solicit the business," explained Schwartz. "Someone from there (Town and Country) called here and I have no idea who it was. I don't know if we could have legally turned the order down if we had chosen."

Told that Roy had suggested he resign, Schwartz answered, "That would figure, a statement like that."

"No, I am not going to resign," he continued. "I don't think that would be cause to resign. Had we solicited the business and gone into a different type of relationship, that would have been something else."

Schwartz said his employes will talk with him from now on when orders such as the one in question are placed.

Roy said that Marcello may personally inject himself into the boiling controversy and hold a press conference. Roy said it might be held next week.